

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

~~January 27, 2022~~

~~Agenda ID #20300~~
Ratesetting

~~TO PARTIES OF RECORD IN APPLICATION 21-05-015:~~

~~This is the proposed decision of Administrative Law Judge (ALJ) Adeniyi Ayode. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's February 24, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.~~

~~Parties to the proceeding may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.~~

~~/s/ ANNE E. SIMON~~
Anne E. Simon
Chief Administrative Law Judge

AES:nd3
Attachment

ALJ/AA6/nd3

PROPOSED DECISION Agenda ID#20300 (Rev.1)

Ratesetting

3/17/2022 Item #4

Decision PROPOSED DECISION OF ALJ AYOADE (Mailed 1/27/2022)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Teliix, Inc. For a
Certificate of Public Convenience and
Necessity to Operate as a Provider of
Resold or Limited Facilities-Based Local
Exchange and Resold Interexchange
Service within the State of California.

Application 21-05-015

**DECISION GRANTING TELIAX, INC.
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE LIMITED FACILITIES-BASED AND RESOLD
COMPETITIVE LOCAL EXCHANGE SERVICES
AND RESOLD INTEREXCHANGE SERVICES IN CALIFORNIA**

Summary

Pursuant to Public Utilities Code Section 1001, we grant Teliix, Inc. a certificate of public convenience and necessity to provide limited facilities-based and resold competitive local exchange and interexchange services in California subject to the terms and conditions set forth in the Ordering Paragraphs.

This proceeding is closed.

1. Background

On May 20, 2021, Teliix, Inc. (Teliix) filed this instant Application with the California Public Utilities Commission (Commission) for a certificate of public convenience and necessity (CPCN) to operate as a provider of resold limited

facilities-based local exchange service in the service territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T California), Frontier California Inc. (Frontier California), Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California (Frontier Communications), and Consolidated Communications of California Company (Consolidated Communications, formerly SureWest Telephone), and resold interexchange services throughout California (Application).¹

Teliix proposes to offer wholesale and retail competitive telecommunications service, including local exchange, interexchange, and exchange access services, within the State of California using its own facilities and services available from other facilities-based carriers.² Teliix's principal place of business is located at 2150 West 29th Ave #200, Denver, Colorado 80211.

The Application appeared on the Commission's public Calendar on May 24, 2021. No protests to the Application have been received by the Commission.

On July 22, 2021, the Administrative Law Judge (ALJ) issued a Ruling directing Teliix to provide supplemental information in support of its Application. Teliix provided the requested information on August 9, 2021.

A prehearing conference was held on August 30, 2021. The Assigned Commissioner's Scoping Memo and Ruling was issued on November 24, 2021, addressing such matters as issues of law and fact in the proceeding, the need for hearing, scheduling for resolving the matter, and other matters deemed necessary.

¹ See Teliix's "Response to Administrative Law Judge's Ruling Directing Filing of Additional Information" filed with the Commission on August 9, 2021.

² Application at 3.

2. Jurisdiction

Public Utilities (Pub. Util.) Code Section 216(a) defines the term “Public utility” to include a “telephone corporation,” which in turn is defined in Pub. Util. Code Section 234(a) as “every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state.”

Teliix proposes to provide wholesale and retail competitive telecommunications service, including local exchange and interexchange and exchange access services within the State of California.³ Accordingly, Teliix is a telephone corporation and a public utility subject to our jurisdiction.

3. California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA)⁴ and Rule 2.4 of the Commission’s Rules of Practice and Procedure (Rules), the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to our approval in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since Teliix states that it “will utilize its own switching facilities in combination with transport components provided by other facilities-based carriers,”⁵ and that does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or

³ Application at 3.

⁴ Public Resources Code § 21000, *et seq.*

⁵ Application at 3-4; and Exhibit C to the Application.

structures, Teliix must file for additional authority, and submit to any necessary CEQA review.

4. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide limited facilities-based and resold competitive local exchange services and/or resold) interexchange services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.⁶ In the application, Teliix provided financial information in confidential Exhibit E to the Application that demonstrated that Teliix has \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the its start-up expenses. Accordingly, since Teliix has provided documentation that it possesses a minimum of \$100,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement. Teliix's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

In addition to demonstrating financial fitness, Teliix must also demonstrate it has an additional \$25,000 or an amount equal to the deposit that may be required by incumbent carriers which Teliix would interconnect with, and which fund must be available to Teliix for one year following certification.⁷ Teliix proposed to initially interconnect with AT&T California, Frontier

⁶ The financial requirement for competitive local exchange carriers (CLEC) is contained in Decision (D.) 95-12-056, Appendix C. The financial requirement for non-dominant interexchange carriers (NDIEC) is contained in D.91-10-041.

⁷ The requirement for competitive local carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying local exchange carriers and/or interexchange carriers is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

California, Frontier Communications, and Consolidated Communications. In addition to the \$100,000 discussed above, Teliix stated that no deposit is anticipated to be paid.⁸ Therefore, no additional resources are required at this time to cover deposits.

5. Technical Qualifications

To be granted a CPCN for authority to provide competitive local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁹ Teliix supplied biographical information on its management in Exhibit H to its application that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In Exhibit I to its Application, Teliix verified that no one associated with or employed by Teliix as an affiliate, officer, director, partner, or owner of more than 10 percent of Teliix, or anyone acting in a management capacity for Teliix:

(a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been (to his/her knowledge) the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000 *et seq.*, §§ 17200 *et seq.*, or §§ 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud,

⁸ Application at 5. Nonetheless, the financial information provided showed that Applicants have adequate funds to cover any deposits that may be required by incumbent carriers.

⁹ D.95-12-056 at Appendix C, Rule 4.A.

dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.¹⁰

Also, to the best of Teliix's knowledge, neither Teliix, or any affiliate, officer, director, partner, nor owner of more than 10 percent of Teliix, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.¹¹

For the above reasons, we find that Teliix is in compliance with the requirements of D.13-05-035.

6. Tariffs (Detariffed Rates Requested)

Teliix has requested detariffed status in order to offer its services on a detariffed basis and on a non-discriminatory basis pursuant to a publicly posted price list.¹² Applicant indicated that it will comply with all of the Commission's requirements as contained in General Order (GO) 96-B - Telecommunications Industry Rules (Telecommunications Rules),¹³ with regards to the provision of detariffed services.

Pursuant to GO 96-B, the Commission may grant exemptions "from the general requirement ... that a Utility serve its California customers under its filed

¹⁰ These certifications are required by D.13-05-035, Ordering Paragraph 14.

¹¹ *Id.*

¹² See Application at 5 and 6, Sections 13 and 18, respectively.

¹³ As authorized in D.07-09-019.

tariffs,” and such exemptions, allowing the Utility to provide detariffed service, may be granted to a specific Utility or type of Utility, or for specific services offered by the Utility or type of Utility.”¹⁴ According to the Telecommunications Rules, Applicant must: (1) post all of its detariffed rates, terms, and conditions of service on an internet site pursuant to Rule 5.2 of GO 96-B; and (2) notify its customers of any service not provided under tariff, of higher rates or charges, of more restrictive terms or conditions, withdrawal of service, or transfer of ownership or customer base pursuant to Rule 5.3 of GO 96-B. Further, Applicant must post a description of its services and price list on its website and file an Access Service tariff prior to billing any carriers for Intrastate Switched Access service.

Applicant should note that detariffed status is not available for carriers providing residential competitive local exchange service. Accordingly, Teliix may not provide residential competitive local exchange services in California without first filing its tariffs with the Commission.

7. Map of Service Territory

To be granted a CPCN for authority to provide competitive local exchange service, an applicant must provide a map of the service territories it proposes to serve.¹⁵ In Exhibit D to its Application, Teliix provided a map of the location of its proposed service territory, in compliance with this requirement.¹⁶

¹⁴ See GO 96-B, Industry Rule 5, under “Detariffed and Non-tariffed Service.”

¹⁵ D.95-12-056 at Appendix C, Rule 4.F.

¹⁶ Additionally, on August 9, 2021, Teliix clarified that it intends to only offer competitive local exchange services in the service territories of the incumbent local exchange carriers operating under the Uniform Regulatory Framework, which includes AT&T California, Frontier California, Frontier Communications, and Consolidated Communications. (See, *Teliix’s August 9, 2021 Response to the ALJ Ruling directing Teliix to file additional information in support of its Application.*)

8. Expected Customer Base

Teliix provided its estimated customer base for the first and fifth years of operation in confidential Exhibit G to its Application. Therefore, Teliix has complied with this requirement.

9. Request for Treatment as a Non-Dominant Interexchange Carrier

Applicant requests treatment as a NDIEC, which would include exemption from the requirements of Pub. Util. Code Sections 816-830 concerning stocks and security and Section 851 concerning the encumbrance and transfer of utility property. While the Commission has granted exemption from Sections 816-830 to others, exemption from Sections 851-854 is not commonly granted and an exception is not warranted here. The Commission detailed its rules regarding exemption of NDIECs in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. Applicant requests to provide service to business customers only. We grant Applicant's request for NDIEC status, which provides an exemption from Pub. Util. Code Sections 816-830 concerning stocks and security, provided that it follows all rules detailed in the above referenced decisions.¹⁷

10. Exemption from Uniform System of Accounts (USOA) Requirements

As permitted in D.99-02-038, Teliix requests exemption from the requirement to maintain its books and records according with the USOA requirements USOA.¹⁸ In D.99-02-038, the Commission relieves NDIECs, non-dominant CLECs or CLCs from certain accounting requirements. According

¹⁷ While the Commission has granted exemption from Sections 816-830 to others, exemption from Sections 851-854 has not been granted previously and is not granted here.

¹⁸ USOA was developed by the FCC and is set forth in Title 47, Code of Federal Regulations, Part 32. California adopted a version of the FCC's USOA in Order Instituting Investigation 87-02-023.

to D.99-02-038, “CLCs . . . and NDIECS which are not part of an [incumbent local exchange carrier] ILEC corporate entity could be relieved of the obligation to keep their books and records for their CLC and NDIEC operations in accordance with the USOA pursuant to Title 47, Code of Federal Regulations, Part 32,” but instead be required to keep their books and records in accordance with Generally Accepted Accounting Principles (GAAP).

Thus, pursuant to D.99-02-038, the Commission has the power to exempt NDIECs and CLCs that are not part of an ILEC corporate entity from complying with USOA requirements. In D.99-02-038, the Commission found that the exemption applied to carriers offering local and interexchange services including CLECs, and concluded that the exemption “will not hinder the Commission’s enforcement responsibilities,” because exempt CLCs, NDIECs and CLECs are still required to maintain their books in accordance with the GAAP, and continue to make their accounting records available to the Commission upon demand pursuant to Pub. Util. Code Section 581.

Pursuant to D.99-02-038, the Commission grants Teliix the requested relief from the requirements to keep its books of account in conformance with USOA. In granting this relief, the Commission requires Teliix to maintain its books in accordance with GAAP; and further requires Teliix to comply with Section 581 by making its accounting books available to the Commission upon demand.

11. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. The Commission is satisfied that Teliix will meet the Commission’s minimum safety goals and

expectations of CLECs because: (1) Teliix has taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) Teliix is a public utility that is required pursuant to Pub. Util. Code Section 451 to “... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

12. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Accordingly, we grant Teliix a CPCN to provide limited facilities-based and resold competitive local exchange services in the service territory of AT&T California, Frontier California, Frontier Communications, and Consolidated Communications and resold interexchange services in California subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to Teliix and corresponding obligations. Teliix receives authority to operate in the prescribed service territory, and this authority enables Teliix, pursuant to Section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. § 251), to interconnect with telecommunications carriers.¹⁹ This authority also enables Teliix to obtain access to public rights-of-way in California as set forth in D.98-10-058, and approved in *T-Mobile West LLC v. City and County of San Francisco*, 6 Cal.5th 1107 (2019)” — subject to the CEQA requirements set forth in this decision.

¹⁹ The California Public Utilities Code uses the term “telephone corporation.” Its counterpart in federal law is a “telecommunications carrier.”

In return, Teliix is obligated to comply with all Public Utilities Code provisions, Commission rules, General Orders, and decisions applicable to telephone corporations providing approved services. The applicable statutes, rules, General Orders, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Teliix is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to Pub. Util. Code Section 451 which states that every public utility "...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in § 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

13. Request to File Under Seal

Pursuant to Rule 11.4, Teliix has filed motions for leave to file Exhibit E (Financial Information) and Exhibit G (Customer Base Estimates) to the Application as confidential materials under seal. Teliix represents that the information is sensitive, and disclosure could place Teliix at an unfair business disadvantage. We have granted similar requests in the past and do so here.

14. Comments on Draft Decision

As provided by Rule 14.3 and Pub. Util. Code Section 311(g)(1), the draft decision of ALJ Ayoade in this matter was mailed to the parties on _____. ~~Comments~~ January 27, 2022. No comments were filed ~~on~~ _____.

15. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Adeniyi A. Ayoade is the assigned ALJ in this proceeding.

Findings of Fact

1. Teliix is a telephone corporation and a public utility as defined in Pub. Util. Code Section 234(a) and Section 216(a).
2. Teliix will not construct any facilities other than equipment to be installed in existing buildings or structures.
3. Teliix has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
4. Teliix has sufficient additional cash or cash equivalent to cover deposits that may be required by other telephone corporations in order to provide the proposed service.
5. Teliix's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
6. No one associated with or employed by Teliix as an affiliate, officer, director, partner, agent, or owner (directly or indirectly) of more than 10 percent of Teliix, or anyone acting in a management capacity for Teliix: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of Sections 17000, *et seq.*, Sections 17200, *et seq.*, or Sections 17500, *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or

misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

7. To the best of Teliix's knowledge, neither Teliix, or any affiliate, officer, director, partner, nor owner of more than 10 percent of Teliix, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

8. Teliix requested and is eligible for exemption from tariffing requirements and must observe the consumer protection rules adopted in D.98-08-031.

9. Teliix's requested relief from the requirement to keep its books of account in conformance with USOA may be granted so far as Applicant is required to maintain its books in accordance with GAAP and make its accounting books available to the Commission upon demand.

10. Applicant requests treatment as an NDIEC, including exemption from the requirements of Pub. Util. Code Sections 816-830 concerning stocks and security and Section 851 concerning the encumbrance and transfer of utility property.

11. Teliix provided a map of the location of its proposed service territory.

12. Teliix provided an estimate of its customer base for the first and fifth year of operation.

13. Pursuant to Rule 11.4, Teliix filed motions for leave to file confidential materials under seal, including Exhibit E (Financial Information) and Exhibit G (Customer Base Estimates) to its Application.

Conclusions of Law

1. Teliix should be granted a CPCN to provide limited facilities-based and resold competitive local exchange services in the service territories of AT&T California, Frontier California, Frontier Communications, Consolidated Communications, and resold interexchange services in California, subject to the terms and conditions set forth in the Ordering Paragraphs.
2. Teliix should be granted limited facilities-based authority and may not construct any facilities other than equipment to be installed in existing buildings or structures.
3. Teliix, once granted a CPCN, should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.
4. Teliix should be granted an exemption from the requirement to file tariffs.
5. Teliix should be granted an exemption from the requirement to maintain its books of accounts in conformance with USOA pursuant to D.99-02-038.
6. Teliix's motion to file under seal its Exhibits E and G to the application, should be granted for three years.
7. Teliix should be granted NDIEC status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.
8. Applicant's request for exemption from the requirements of Pub. Util. Code Section 851 should be denied.
9. This proceeding should be closed.

O R D E R**IT IS ORDERED** that:

1. A certificate of public convenience and necessity is granted to Teliix, Inc. to provide limited facilities-based and resold competitive local exchange services in the territories of Pacific Bell Telephone Company d/b/a AT&T California, Frontier California Inc., Citizens Telecommunications Company of California, Inc. d/b/a/ Frontier Communications of California, and Consolidated Communications of California Company, and resold interexchange services in California, subject to the terms and conditions in this decision.
2. Teliix, Inc. is authorized to provide its competitive limited facilities-based and resold local exchange telecommunications services on a detariffed non-discriminatory basis, and Teliix, Inc. is required to comply with the Telecommunications Rules regarding the provision of detariffed services by telephone corporations as contained in General Order 96-B and authorized in Decision 07-09-019.
3. The corporate identification number assigned to Teliix, Inc., U-7390-C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.
4. Teliix, Inc. must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this decision. Written acceptance filed in this docket does not reopen the proceeding.
5. The certificate granted by this decision will expire if not exercised within 12 months of the effective date of this decision.
6. Teliix, Inc. must notify the Director of the Communications Division of the date that competitive local exchange service is first rendered to the public, no

later than five days after service first begins, by email to

cdcompliance@cpuc.ca.gov.

7. Teliix Inc. is granted non-dominant interexchange carrier status, subject to Commission rules and regulations as detailed in Decision (D.) 85-01-008 and modified in D.85-07-081 and D.85-11-044, and is exempt from the requirements of Public Utilities Code Sections 816-830 concerning stocks and security.

8. Applicant's request for exemption from the requirements of Public Utilities Code Section 851 is denied.

9. Teliix, Inc. is exempt from the requirement to maintain its books of account in conformance with the Uniform System of Accounts pursuant to Decision 99-02-038.

10. Teliix, Inc. is authorized to maintain its books in accordance with the Generally Accepted Accounting Principles and shall make its accounting books available to the Commission upon demand pursuant to Public Utilities Code Section 581.

11. Teliix, Inc. must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Teliix, Inc. must submit a Tier-1 Advice Letter to the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier-1 Advice Letter annually, but not later than March 31 of each year, with a copy of the executed bond.

12. Teliix, Inc. must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

13. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision, Teliix, Inc. is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

14. Teliix, Inc. must report intrastate revenue and pay the resulting public purpose program surcharges specified in Attachment B monthly, through the Commission's proprietary Telecommunications and User Fee Filing System (TUFFS) even if there are no revenues (\$0) and resulting surcharges to report and remit. Communications Division must issue a compliance directive to the Teliix, Inc.'s primary contact, providing directions for reporting and remitting surcharges and the User Fee through the TUFFS system.

15. Teliix, Inc. must pay an annual minimum user fee of \$100 or at the standard user fee remittance rate applied to the gross intrastate revenue, whichever is greater. The standard user fee remittance rate is posted on the Commission's webpage. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees more than 30 days after the quarterly user fee payment due dates of January 15th, April 15th, July 15th, and October 15th, or more than 30 days after the January 15th due date for those

utilities paying the annual minimum user fee of \$100, will be subject to penalties including suspension or revocation of their authority to operate in California.

16. Prior to initiating service, Teliix, Inc. must provide the Commission's Consumer Affairs Branch with the name(s), address(es), e-mail address, and telephone number(s) of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name(s), address(es), or telephone number(s) change, or at least annually.

17. Prior to initiating service, Teliix, Inc. must provide the Commission's Communications Division with the name(s), address(es), e-mail address, and telephone number(s) of its designated regulatory/official contact person(s). This information must be provided electronically, using the "Contact Information Request Update" form at

<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone> under Service Provider Requirements and Programs. This information must be updated if the name or telephone number changes, or at least annually by June 1 of each calendar year.

18. Teliix, Inc. must submit an affiliate transaction report to the Director of the Communications Division, by e-mail to cdcompliance@cpuc.ca.gov, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

19. Teliix, Inc. must submit an annual report to the Director of the Communications Division by e-mail to cdcompliance@cpuc.ca.gov in compliance with General Order 104-A on a calendar-year basis with the information contained in Attachment C to this decision.

20. Teliix, Inc. must not construct any facilities other than equipment installed in existing buildings or structures.

21. Teliix, Inc. must submit an application for expanded authority to operate without NDIEC status prior to construction of full facilities.

22. Teliix, Inc.'s motion to file under seal its Exhibits E and G is granted for a period of three years after the date of this decision. During this three-year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If Teliix, Inc. believes that it is necessary for this information to remain under seal for longer than three years, Teliix, Inc. may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

23. Application 21-05-015 is closed.

This decision is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A
TARIFF DEFICIENCIES

This Attachment is Intentionally Left Blank

(END OF ATTACHMENT A)

ATTACHMENT B

ATTACHMENT B**REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS**

1. Applicant must file, in this docket with reference to this decision number,¹ a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months of the date of this decision.

3. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, carriers authorized to operate in California shall report intrastate revenue and remit the resulting public purpose program surcharges specified as follows monthly, through the Commission's proprietary Telecommunications and User Fee Filing System (TUFFS) even if there is no intrastate revenue (\$0) and resulting surcharges to report and remit. Communications Division shall issue a compliance directive to the carrier's primary contact, providing directions for reporting and remitting surcharges and the User Fee through TUFFS.

- a. The Universal Lifeline Telephone Service Trust
Administrative Committee Fund (Pub. Util. Code § 277);
- b. The California Relay Service and Communications Devices
Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 275.6);
D.96-10-066, at 3-4, App. B, Rule 1.C);

¹ Written acceptance filed in this docket does not reopen the proceeding.

- d. The California High Cost Fund-B (Pub. Util. Code § 276.5), D.96-10-066, at 191, App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (Pub. Util. Code § 281; D.07-12-054);
- f. The California Teleconnect Fund (Pub. Util. Code § 280; D.96-10-066, at 88, App. B, Rule 8.G);
- g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in D.13-05-035.

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant must check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (d/b/a AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised. Current and historical surcharge rates can be found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/surcharge-rates>.

- i. Carriers must report and remit CPUC telephone program surcharges online using the CPUC TUFFS. Information and instructions for online reporting and payment of surcharges are available at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees>. To request a user ID and password for TUFFS online filing and for questions, please e-mail Telcosurcharge@cpuc.ca.gov.
- ii. Carriers must submit and pay the PUC User Fee (*see* Item 3.g above) quarterly, through the Commission's TUFFS system within 15 days after the end of each calendar quarter (December 31, March 31, June 30 and September 30) and by the 30th day after the 15-day reporting and payment requirement to avoid a one-time 25% penalty. For questions regarding the User Fee, please email userfees@cpuc.ca.gov.

4. If Applicant is a competitive local exchange carrier, the effectiveness of its future competitive local exchange carrier tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

5. If Applicant is a non-dominant interexchange carrier, the effectiveness of its future non-dominant interexchange carrier tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

6. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in Item 3 above.

7. Applicant must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Applicant must submit a Tier-1 Advice Letter to the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier-1 Advice Letter annually, but not later than March 31, with a copy of the executed bond.

8. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

9. Applicants providing local exchange service must submit a service area map as part of their initial tariff to the Communications Division.

10. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name(s), address(es), e-mail address(es) and telephone number(s) of its designated contact person(s) for purposes of resolving consumer complaints. This information must be provided electronically, using the "Contact Information Request Update" form found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone> under Service Provider Requirements and Programs. This information must be updated if the name(s), address(es), and telephone number(s) change, or at least annually by June 1 of each calendar year.

11. In addition, Applicant must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Contact Information Request Update" form found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone> under Service Provider Requirements and Programs.. This information must be updated if the name(s), address(es), and telephone number(s) change, or at least annually by June 1 of each calendar year.

12. Applicant must notify the Director of the Communications Division, in writing submitted by email to cdcompliance@cpuc.ca.gov, no later than five days after service first begins, of the date that local exchange service is first rendered to the public.

13. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

14. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the

Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

15. Applicant must submit an annual report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with GO 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

16. Applicant must submit an affiliate transaction report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with D.93-02-019, on a calendar-year basis using the form contained in Attachment D.

17. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

18. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division of its compliance in writing, by email to cdcompliance@cpuc.ca.gov.

19. If Applicant is 90 days or more late in submitting an annual report, or in remitting the surcharges and fee listed in #3 above, and has not received written permission from the Communications Division to file or remit late: the Communications Division must issue a citation pursuant to Resolution T-17601. Failure to comply with the issued citation or timely appeal the citation may result in a revocation of the company's operating authority and/or a referral to the CPUC Consumer Protection and Enforcement Division (CPED) for enforcement action, which could result in additional fines, penalties, or other sanctions.

20. Applicant is exempt from Rule 3.1(b) of the Commission's Rules of Practice and Procedure.

21. Applicant is exempt from Pub. Util. Code §§ 816-830.

22. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

23. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

(END OF ATTACHMENT B)

ATTACHMENT C

ATTACHMENT C**ANNUAL REPORT**

In addition to the annual reports requirement pursuant to General Order 104-A, submit the following information electronically via email to cdcompliance@cpuc.ca.gov no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to submit this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).
If incorporated, specify:
 - a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31st of the calendar year for which information is submitted, for California operations only.

For any questions concerning this report, please send an email to cdcompliance@cpuca.ca.gov with a subject line that includes: "CD Annual Reports."

(END OF ATTACHMENT C)

ATTACHMENT D

ATTACHMENT D

CALENDAR YEAR AFFILIATE TRANSACTION REPORT

Submit the following information electronically via e-mail to cdcompliance@cpuc.ca.gov no later than May 1st of the year following the calendar year for which the annual affiliate transaction report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership)
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s Annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must submit, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

14. For any questions concerning this report, please send an e-mail to cdcompliance@cpuca.ca.gov with a subject line that includes: “CD Annual Reports.”

(END OF ATTACHMENT D)

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<u>Insertion</u>	
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